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Collection requirements for Syria and Lebanon. Prepared in response to oral request of PP/ECD

The countries of the Sino-Soviet Bloc since 1954 have been making an increasing number of offers of economic assistance to under-developed Free World countries. The obvious motive is political gain; the primary target is the Middle East.

The new policy in action is identified with any combination of the following activities: (1) the extension of long-term credits; (2) the availability of the services of technical personnel; (3) the provision of capital equipment, often involving complete factory installations, and frequently on credit terms; (4) arrangements for the importation over a period of years of hard-to-sell export commodities of the Free World countries.

In order to properly evaluate the magnitude of the Sino-Soviet Bloc campaign and its effect upon the Free World countries it is imperative that all aspects of it be fully covered by elements in the field. As a general guide for collectors the following information is desired:

1. Loans - Value; parties involved (government or private, principal officials and their positions); date of agreement; repayment terms (interest rate, frequency of payments).
2. Plant installations - Value (value of completed plant, value of Bloc equipment, value of Bloc services); location; principal parties; extent of Bloc participation (how much equipment, type, specifications; what services, e.g., drawing of designs, supervision of installation; number and type of Bloc personnel, e.g., engineers or skilled labor); dates (of contract, scheduled delivery, scheduled completion); progress (when begun, on or behind schedule, when completed).

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3. Technical assistance - Type (documentary or personal services? technical field); numbers of personnel; location; dates (of agreement, of arrival or departure of technicians); names of negotiators and of participating personnel.
4. Unfavorable information concerning the Bloc activities - Poor equipment; failure to meet schedules; failure to live up to agreements; poor performance of Bloc personnel, such as, incompetence, arrogance toward indigenous personnel; attempts to spread Communist doctrine, etc.

As a guide to potential targets for collection efforts, the following projects reportedly have been negotiated for

In Syria

1. Agricultural combine contracted for by Czechoslovakia. Reportedly consists of a \$1.7 million sugar refinery, distillery, starch factory, power station, etc. Location unknown.
2. Oil refinery from Czechoslovakia. Contract "accepted in principle" by Syrian government on 19 February.
3. Two cement plants from Czechoslovakia. Contracted for prior to 1 November 1955. One worth \$2.2 million. Location unknown. Another report states that one Gendour (Gandour?), who may be Lebanese rather than Syrian, contracted for two cement plants (one of the same value) in January 1956. See #2 under Lebanon.
4. Cement plant from East Germany. Contracted for prior to 5 May 1955 by Mr. Salah Rizri, owner of the Rizri Engineering and Motor Car Company of Damascus.
5. Textile mill from East Germany. Contracted for by a private firm in Damascus in September or October of 1955. Possibly to be located in Aleppo.
6. Dry cell battery plant from East Germany. Contracted for in August 1955. Location unknown.

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7. Three flour mills from Hungary. Reportedly contracted for prior to July 1955 by the following: Muhle Nahasse and Djahouse of Aleppo; Moutin el-Zahra of Homs; Moulin el-Milal of Homs.
8. A car servicing station from Poland. Contracted for prior to 6 January 1956. Plans being prepared. May involve equipment too.
9. Planning of reconstruction of the Hajar railroad by Polish engineers. Survey reportedly begun near Ma'an, Jordan in early January 1956.
10. The Skoda firm of Czechoslovakia is reported to have provided the equipment for a sugar refinery in Homs. The date of this action is unknown.
11. The Czechs offered in January 1956 to assist in the construction of the Damascus International Airport.
12. East Germany was negotiating in the summer of 1955 with a military delegation consisting of Col. Marlek, Capt. Kereb (Asrab?) and Lt. Hotahet for a plant to manufacture 10 mm shells.
13. Mr. Salih Bigri of Damascus was negotiating with East Germany for a sugar refinery in early 1955.
14. Hungary was interested during mid-1955 in the construction of a highway across Syria.

In Lebanon

1. The Czechs reportedly contracted to build seven factories in Lebanon as a result of a visit to Czechoslovakia in the summer of 1955 by a delegation of Lebanese industrialists. The delegation reportedly was headed by the Lebanese Minister of Economy and included the president of the Lebanese Association of Industrialists. The following plants have been reported involved: sugar refining, electric power, shoe, motor vehicle, ceramics, paper, glassware.

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2. One Gendour (~~Gundorf~~), who may be Syrian rather than Lebanese, reportedly concluded contracts with Czechoslovakia, in January 1955 for two cement plants (one valued at \$2.2 million) and a china factory valued at \$0.2 million. See #3 under Syria.
3. An olympic stadium and swimming pool have been reported under construction in Beirut by Hungarian engineers.
4. The equipment of the Solica Footgear Company was provided by the Czech firms Nove and Strojexport sometime prior to October 1955.
5. Karl Zugenhart, Rue Ma'rd Inn. Akra, Beirut was negotiating with East Germany in early 1955 for \$1 million worth of cement plant equipment.
6. In April 1954, one Muhi-al-Din Yafi of Beirut, was discussing with a Hungarian engineer, Istvan Hasky, the possibility of establishing an assembly plant in Beirut for the Ganz factory (Hungarian).
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7. The Soviets in February 1956 offered economic and technical assistance to the government of Lebanon, and a delegation of Russian engineers contacted a number of private businessmen in an effort to obtain contracts.

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